Regulator for Civil Aviation Sector

*38. SHRIMATI N. P. DURGA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that a regulator is necessary for Civil Aviation Sector;

(b) if so, what plans Government are having for setting up a full-fledged regulator for this sector;

(c) whether Naresh Chandra Committee has also recommended for setting up of a regulator;

(d) whether Government would think of including this aspect in the proposed Civil Aviation Policy;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) Presently, Directorate General of Civil Aviation (DGCA) is functioning as regulator in respect of licensing and safety and Bureau of Civil Aviation Security (BCAS) as regulator in respect of civil aviation security.

(c) Yes, sir. Naresh Chandra Committee, in addition, has also recommended for establising an Aviation Economic Regulatory Authority (AERA).

(d) to (f) The report is being examined by the Government.

Performance of Nationalised banks

*39. PROF. M.M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether nationalised banks have improved their performance in comparison to foreign banks;

(b) if so, the details thereof alongwith the comparative figures in terms of profit and loss; and

(c) the steps being taken or proposed to be taken by Government to improve the functioning and profitability of these nationalised banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) Whereas the percentage of net profit to total assets of public sector banks increased from 0.96% in 2002-03 to 1.15% in 2003-2004, over the same period it declined from 1.57% to 1.54% in foreign banks. During this period, in terms of net profits, the public sector banks registered a growth of 31.9%, as against foreign banks' profit growth of 14.9%.

(c) Steps taken or proposed to improve the functioning and profitability of the Nationalised Banks include enactment of laws to improve recovery of Non-Performing Assets; deregulation of interest rates; introduction of prudential norms; reduction in Statutory Liquidity Ratio and Cash Reserve Ratio; and encouragement to Information Technology, Organizational Restructuring, improvement in human resource management and customer service, diversification in their lines of business, etc.

Merger of banks

*40. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to merge all the nationalised banks into seven large entities;

(b) if so, the details thereof;

(c) whether any study group has recommended this step;

(d) by when banks will undergo such a merger; and

(e) what are the advantages of such a merger?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) There is no proposal before Government to merge all the nationalised banks into seven large entities.

(c) Yes, Sir. The Committee on Banking Sector Reforms (Narsimham Committee-II) recommended that merger of public sector banks, if any, should be at the instance of the managements of the concerned banks.

(d) The decisions regarding mergers and their timing have to be taken by the managements of the concerned banks.